



DEPARTMENT OF COMMERCE

International Trade Administration

[C-580-882]

Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Preliminary Results of Countervailing Duty Administrative Review, 2019

AGENCY: Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that certain producers/exporters of certain cold-rolled steel flat products (cold-rolled steel) from the Republic of Korea (Korea) received countervailable subsidies during the period of review (POR) January 1, 2019 through December 31, 2019, while other producers/exporters (*i.e.*, Hyundai Steel Co., Ltd., also referred to as Hyundai Steel Company (Hyundai Steel) and POSCO) received *de minimis* net countervailable subsidies during the POR. Interested parties are invited to comment on these preliminary results.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Moses Song or Natasia Harrison, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-7885 and (202) 482-1240, respectively.

SUPPLEMENTARY INFORMATION:

Background

On October 30, 2020, Commerce published a notice of initiation of an administrative review of the countervailing duty (CVD) order on cold-rolled steel from Korea.¹ On December 17, 2020, Commerce selected Hyundai Steel and POSCO as mandatory respondents in this

¹ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 85 FR 68840, 68846-68847 (October 30, 2020).

administrative review.² On May 18, 2021, Commerce extended the deadline for the preliminary results of this review.³

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.⁴ A list of topics discussed in the Preliminary Decision Memorandum is included at Appendix I to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>.

Scope of the Order

The merchandise covered by the order is certain cold-rolled steel. For a complete description of the scope of the order, *see* the Preliminary Decision Memorandum.

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we preliminarily determine that there is a subsidy, *i.e.*, a financial contribution from an authority that gives rise to a benefit to the recipient, and that the subsidy is specific.⁵ For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.

Companies Not Selected for Individual Review

² See Memorandum, "Countervailing Duty Administrative Review of Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Selection of Respondents for Individual Examination," dated December 17, 2020. The petitioners requested a review of "Hyundai Steel Co., Ltd.," while Hyundai Steel requested a review of "Hyundai Steel Company." We selected Hyundai Steel Co., Ltd., also referred to as Hyundai Steel Company as a mandatory respondent, based on the entry volume of exports of subject merchandise during the POR. We combined the entry quantities of Hyundai Steel Co., Ltd., based on the company specific case number which appears in the CBP data.

³ See Memorandum, "Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Extension of Deadline for the Preliminary Results of the 2019 Countervailing Duty Administrative Review," dated May 18, 2021.

⁴ See Memorandum, "Decision Memorandum for the Preliminary Results of the Countervailing Duty Administrative Review; 2019: Certain Cold-Rolled Steel Flat Products from the Republic of Korea," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁵ See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

The statute and Commerce’s regulations do not directly address the CVD rates to be applied to companies not selected for individual examination where Commerce limits its examination in an administrative review pursuant to section 777A(e)(2) of the Act. However, Commerce normally determines the rates for non-selected companies in reviews in a manner that is consistent with section 705(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation. Section 777A(e)(2) of the Act provides that “the individual countervailable subsidy rates determined under subparagraph (A) shall be used to determine the all-others rate under section 705(c)(5) {of the Act}.” Section 705(c)(5)(A) of the Act states that for companies not investigated, in general, we will determine an all-others rate by weight-averaging the countervailable subsidy rates established for each of the companies individually investigated, excluding zero and *de minimis* rates or any rates based solely on the facts available.

Accordingly, to determine the rate for companies not selected for individual examination, Commerce’s practice is to weight average the net subsidy rates for the selected mandatory companies, excluding rates that are zero, *de minimis*, or based entirely on facts available.⁶ In this review, we preliminarily calculated *de minimis* subsidy rates for each of the mandatory respondents (*i.e.*, Hyundai Steel and POSCO) during the POR. In CVD proceedings where the number of respondents being individually examined has been limited, Commerce has determined that a “reasonable method” to use to determine the rate applicable to companies that were not individually examined when all the rates of selected mandatory respondents are zero or *de minimis*, is to assign to the non-selected respondents the average of the most recently determined rates for the mandatory respondents (*i.e.*, Hyundai Steel and POSCO) that are not zero, *de minimis*, or based entirely on facts available.⁷ However, if a non-selected respondent has its own

⁶ See, e.g., *Certain Pasta from Italy: Final Results of the 13th (2008) Countervailing Duty Administrative Review*, 75 FR 37386, 37387 (June 29, 2010).

⁷ See, e.g., *Circular Welded Carbon Steel Pipes and Tubes from Turkey: Final Results of Countervailing Duty Administrative Review; Calendar Year 2012 and Rescission of Countervailing Duty Administrative Review, in Part*, 79 FR 51140, 51141 (August 27, 2014); and *Cut-to-Length Carbon-Quality Steel Plate from the Republic of Korea: Final Results of Countervailing Duty Administrative Review; 2012*, 79 FR 46770 (August 11, 2014), and accompanying IDM at “Non-Selected Rate”; and *Steel Concrete Reinforcing Bar from the Republic of Turkey:*

calculated rate that is contemporaneous with or more recent than these previous rates, Commerce has found it appropriate to apply that calculated rate to that non-selected respondent, even when that rate is zero or *de minimis*.⁸

In recent administrative reviews of this order, we calculated net subsidy rates of 0.51 percent *ad valorem* for Hyundai Steel and 0.59 percent *ad valorem* for POSCO.⁹ Therefore, for these preliminary results, and consistent with Commerce's practice described above, we are assigning the rate of 0.55 percent *ad valorem*, *i.e.*, the simple average rate of Hyundai Steel's 0.51 percent and POSCO's 0.59 percent above-*ad valorem*, to non-selected companies for which an individual rate was not calculated.¹⁰ In addition, in the most recently completed administrative review (*i.e.*, *CRS Third Admin Review Final Results*), we calculated a rate of 9.18 percent *ad valorem* for Dongbu Steel Co., Ltd./Dongbu Incheon Steel Co., Ltd.¹¹ Accordingly, for these preliminary results, consistent with Commerce's practice described above, we are assigning the rate of 9.18 percent *ad valorem* to Dongbu Steel Co., Ltd./Dongbu Incheon Steel Co., Ltd., *i.e.*, the sole company for which an individual rate was calculated in a prior review but which was not selected for review in the instant review, based on the company's rate calculated in the prior review (*i.e.*, *CRS Third Admin Review Final Results*).

Preliminary Results of Countervailing Duty Administrative Review and Intent To Rescind the Review in Part; 2017, 85 FR 3030 (January 17, 2020), and accompanying PDM at "Non-Selected Rate," unchanged in *Steel Concrete Reinforcing Bar from the Republic of Turkey: Final Results and Partial Rescission of Countervailing Duty Administrative Review; 2017*, 85 FR 42353 (July 14, 2020), and accompanying IDM at "Non-Selected Rate."

⁸ *Id.*

⁹ See *Cold-Rolled Steel Flat Products from the Republic of Korea: Preliminary Results of Countervailing Duty Administrative Review; 2018*, 86 FR 7063 (January 26, 2021); and *Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Final Results of Countervailing Duty Administrative Review; 2018*, 86 FR 40465 (July 28, 2021) (*CRS Third Admin Review Final Results*); see also *Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Preliminary Results of Countervailing Duty Administrative Review; 2017*, 84 FR 60377 (November 8, 2019); and *Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Final Results of Countervailing Duty Administrative Review; 2017*, 85 FR 38361 (June 26, 2020) (*CRS Second Admin Review Final Results*) (collectively, *CRS Second Admin Review*).

¹⁰ The rate of 0.55 percent *ad valorem* is the average of Hyundai Steel's and POSCO's most recently determined individual rates that are not zero, *de minimis*, or based entirely on facts available. See *CRS Third Admin Review Final Results*, 86 FR at 40466; and *CRS Second Admin Review Final Results*, 85 FR at 38361.

¹¹ See *CRS Third Admin Review Final Results*, 86 FR at 40466.

Preliminary Results of the Review

As a result of this review, we preliminarily determine the net countervailable subsidy rates to be:

Producer/Exporter	Subsidy Rate <i>Ad valorem</i>
Hyundai Steel Co., Ltd.	0.46 percent (<i>de minimis</i>)
POSCO ¹²	0.32 percent (<i>de minimis</i>)
Non-Selected Companies Under Review ¹³	0.55 percent
Dongbu Steel Co., Ltd./Dongbu Incheon Steel Co., Ltd. ¹⁴	9.18 percent

Assessment Rates

Pursuant to section 751(a)(2)(C) of the Act, upon issuance of the final results, Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by this review. If the assessment rate calculated in the final results in zero or *de minimis*, we will instruct CBP to liquidate all appropriate entries without regard to countervailing duties. Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Cash Deposit Requirements

Pursuant to section 751(a)(2)(C) of the Act, Commerce intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown for each of the respective

¹² As discussed in the Preliminary Decision Memorandum, Commerce has found the following companies to be cross-owned with POSCO: Pohang Scrap Recycling Distribution Center Co. Ltd.; POSCO Chemical; POSCO M-Tech; POSCO Nippon Steel RHF Joint Venture Co., Ltd.; and POSCO Terminal. The subsidy rate applies to all cross-owned companies.

¹³ See Appendix II.

¹⁴ As described above, while Dongbu Steel Co., Ltd. and Dongbu Incheon Steel Co., Ltd. are non-selected respondents, because each received a calculated rate in a prior review (*i.e.*, *CRS Third Admin Review Final Results*), Commerce has found it appropriate to apply that calculated rate to that to Dongbu Steel Co., Ltd. and Dongbu Incheon Steel Co., Ltd. in this review.

companies listed above, except, where the rate calculated in the final results is *de minimis*, no cash deposit will be required on shipments of the subject merchandise entered or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review. For all non-reviewed firms, CBP will continue to collect cash deposits at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Disclosure and Public Comment

We will disclose to the parties in this proceeding the calculations performed in reaching the preliminary results within five days of the date of publication of these preliminary results.¹⁵ Case briefs, or other written comments, may be submitted to the Assistant Secretary for Enforcement and Compliance at a date to be determined. Rebuttal comments (rebuttal briefs), limited to issues raised in case briefs, may be filed within seven days¹⁶ after the time limit for filing case briefs. Pursuant to 19 CFR 351.309(d)(2), rebuttal briefs must be limited to issues raised in the case briefs. Parties who submit arguments are requested to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.¹⁷ All briefs must be filed electronically using ACCESS. Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information until further notice.¹⁸

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS by 5 p.m. Eastern Time within 30 days after the date of publication of this notice.¹⁹ Hearing requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Issues

¹⁵ See 19 CFR 351.224(b).

¹⁶ See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020) (*Temporary Rule*).

¹⁷ See 19 CFR 351.309(c)(2) and 351.309(d)(2).

¹⁸ See *Temporary Rule*.

¹⁹ See 19 CFR 351.310(c).

addressed at the hearing will be limited to those raised in the briefs. If a request for a hearing is made, parties will be notified of the date and time for the hearing to be determined.²⁰

Commerce intends to issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in their comments, no later than 120 days after the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(1), unless this deadline is extended.

Notification to Interested Parties

These preliminary results are issued and published pursuant to sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.213 and 19 CFR 351.221(b)(4).

Dated: September 30, 2021.

Christian Marsh,
Acting Assistant Secretary
for Enforcement and Compliance.

²⁰ See 19 CFR 351.310(d).

Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Period of Review
- IV. Scope of the *Order*
- V. Rate for Non-Examined Companies
- VI. Subsidies Valuation Information
- VII. Analysis of Programs
- VIII. Recommendation

Appendix II

List of Non-Selected Companies

1. AJU Steel Co., Ltd.
2. Amerisource Korea
3. Atlas Shipping Cp. Ltd.
4. BC Trade
5. Busung Steel Co., Ltd.
6. Cenit Co., Ltd.
7. Daewoo Logistics Corp.
8. Dai Yang Metal Co., Ltd.
9. DK GNS Co., Ltd
10. Dongbu Incheon Steel Co., Ltd.²¹
11. Dongbu Steel Co., Ltd.²²
12. KG Dongbu Steel Co., Ltd. (formerly Dongbu Steel Co., Ltd.)
13. Dongbu USA
14. Dong Jin Machinery
15. Dongkuk Industries Co., Ltd.
16. Dongkuk Steel Mill Co., Ltd.
17. Eunsan Shipping and Air Cargo Co., Ltd.
18. Euro Line Global Co., Ltd.
19. GS Global Corp.
20. Hanawell Co., Ltd.
21. Hankum Co., Ltd.
22. Hyosung TNC Corp.
23. Hyuk San Profile Co., Ltd.
24. Hyundai Group
25. Iljin NTS Co., Ltd.
26. Iljin Steel Corp.
27. Jeon Pung Industrial Co., Ltd.
28. JT Solution
29. Kolon Global Corporation
30. Nauri Logistics Co., Ltd.
31. Okaya (Korea) Co., Ltd.
32. PL Special Steel Co., Ltd.
33. POSCO C&C Co., Ltd.
34. POSCO Daewoo Corp.
35. POSCO International Corp.
36. Samsung C&T Corp.
37. Samsung STS Co., Ltd.
38. SeAH Steel Corp.
39. SM Automotive Ltd.
40. SK Networks Co., Ltd.
41. Taihan Electric Wire Co., Ltd.
42. TGS Pipe Co., Ltd.
43. TI Automotive Ltd.

²¹ As described above, while Dongbu Steel Co., Ltd. and Dongbu Incheon Steel Co., Ltd. are non-selected respondents, because each received a calculated rate in a prior review (*i.e.*, *CRS Third Admin Review Final Results*), Commerce has found it appropriate to apply that calculated rate to that to Dongbu Steel Co., Ltd. and Dongbu Incheon Steel Co., Ltd.

²² See footnote 21.

44. Xeno Energy

45. Young Steel Co., Ltd.

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